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BEFORE THE TENNESSEE REGULATORY AUTHORITY

AT NASHVILLE, TENNESSEE JUN 11 44

IN RE:

UNITED CITIES GAS COMPANY, a Division)
of ATMOS ENERGY CORPORATION)
INCENTIVE PLAN ACCOUNT (IPA) AUDIT)

OFFICE OF THE
EXECUTIVE SECRETARY

DOCKET NO.
01-00704

**ISSUES LIST SUBMITTED BY
UNITED CITIES GAS COMPANY**

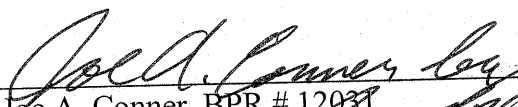
United Cities Gas Company hereby submits the following list of issues for the hearing in this cause:

1. Whether United Cities Gas Company's ("United Cities") inclusion in its performance based rate making mechanism (the "PBR") of the savings resulting from the negotiated transportation discounted contracts is consistent with the Authority's Final Order (the "Final Order") on Phase II in Docket No. 97-01364, issued on August 16, 1999.
2. How should the savings associated with "avoided costs" resulting from a negotiated gas supply agreement for requirements from the East Tennessee-NORA Gas Pipeline be accounted for in the PBR under the terms of the Final Order and the Order in Docket No. 00-00844.

Respectfully submitted,

BAKER, DONELSON, BEARMAN
& CALDWELL, P.C.

By:


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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been faxed and mailed,
postage prepaid, to the following parties of interest this 5th day of June, 2002:

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